



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

RQ-2

Michael L. Retzer, Treasurer
Republican National Committee
310 First Street, S.E.
Washington, DC 20003

DEC 26 2002

Identification Number: C00003418

Reference: Amended November Monthly Report (10/1/01-10/31/01), received 4/26/02

Dear Mr. Retzer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule H3 of your report discloses the receipt of \$16,194.87 from your non-federal account for the fundraising event P9 which was revised to an 100% non-federal fundraising event on the Amended October Monthly Report (9/1/01 - 9/31/01), received 4/26/02. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer from its non-federal account solely to cover the non-federal share of allocable expenses. 11 CFR §106.5(g)(i). However, a 100% non-federal fundraising event does not fall within the definitions of an allocable expense, and constitutes an impermissible transfer of funds received by your federal account from your non-federal account.

The Commission recommends you immediately transfer the total amount received by your federal account back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Please clarify all expenditures made for ADVERTISING COST, VIDEO SVS, and PRODUCTION COST on Schedules B and H4. If a portion or all of these expenditures were made on behalf of specifically identified